

AMENDED IN ASSEMBLY JUNE 17, 2004

AMENDED IN ASSEMBLY JULY 16, 2003

AMENDED IN ASSEMBLY JUNE 26, 2003

AMENDED IN SENATE MAY 29, 2003

AMENDED IN SENATE MAY 8, 2003

SENATE BILL

No. 177

Introduced by Senator ~~Johnson~~ Hollingsworth

February 12, 2003

~~An act relating to school finance, and declaring the urgency thereof, to take effect immediately. An act to add and repeal Section 17463.6 of the Education Code, relating to public schools.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 177, as amended, ~~Johnson~~ Hollingsworth. ~~Categorical funding programs~~ *Santee School District: surplus school property: use of proceeds.*

~~Existing law establishes various categorical aid programs under which funding is provided for specific educational purposes.~~

~~This bill would require the Superintendent of Public Instruction, on or before December 31, 2003, to provide the Legislature with a list of all categorical programs, including, among other things, a description of each program, the source of funds for each program, the total amount of funds expended on each program in the 2002-03 fiscal year, and the amount of funds that each school district received for each program in the 2002-03 fiscal year.~~

Existing law, the Leroy F. Greene School Facilities Act of 1998 (the Greene Act of 1998), requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

Existing law requires a school district to use the funds derived from the sale of surplus property for capital outlay or for costs of maintenance of school district property that the governing board of the school district determines will not recur within a 5-year period. Existing law authorizes a school district having an average daily attendance of less than 10,001 in any fiscal year to deposit any and all interest earned on those funds into the general fund of the district if the district meets certain conditions.

This bill would, notwithstanding any other law, and until January 1, 2007, authorize the Santee School District to sell, lease, or leaseback certain surplus real and personal property, as provided, to deposit the proceeds into the general fund of the school district or county office of education, and to use the proceeds from that transaction for any one-time general fund purpose, however, if the purchase of the property was made using the proceeds of a general obligation bond act or revenue derived from developer fees, the amount that may be deposited into the general fund of the school district or county office of education may not exceed the difference between the purchase price of the property and the proceeds of the transaction divided by the amount of the proceeds of the transaction, as defined.

This bill would declare that, due to the special circumstances applicable to the Santee School District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ majority. Appropriation: no. Fiscal committee: ~~yes~~ no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. ~~(a) On or before December 31, 2003, the~~
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1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) California faces an unprecedented fiscal crisis, and the*
4 *Legislative Analyst projects that the state will experience*
5 *operating deficits of \$12 billion to \$16 billion every year, unless*
6 *significant cuts in state spending are implemented.*

7 *(b) In a time of fiscal crisis, it is necessary for the state and local*
8 *agencies to examine the priorities that are essential to the core of*
9 *each agency's function.*

10 *(c) Public schools maintaining kindergarten and grades 1 to*
11 *12, inclusive, must be given relief from restrictive and costly state*
12 *mandates so that school districts will have the operational and*
13 *fiscal flexibility to manage their budgets within the context of the*
14 *current budget crisis.*

15 *SEC. 2. Section 17463.6 is added to the Education Code, to*
16 *read:*

17 17463.6. *(a) Notwithstanding any other law, the Santee*
18 *School District may sell, lease, or leaseback, surplus real property,*
19 *together with any personal property located thereon, owned by the*
20 *district for at least 20 years, to any nonprofit, for profit, or*
21 *governmental entity and may deposit the proceeds thereof into the*
22 *general fund of the school district or county office of education;*
23 *and may use the proceeds from the sale, lease, or leaseback for any*
24 *one-time general fund purpose. If the purchase of the property was*
25 *made using the proceeds of a general obligation bond act or*
26 *revenue derived from developer fees, the amount of the proceeds*
27 *of the transaction that may be deposited into the general fund of*
28 *the school district or county office of education may not exceed the*
29 *percentage computed by the difference between the purchase price*
30 *of the property and the proceeds from the transaction, divided by*
31 *the amount of the proceeds of the transaction. For the purposes of*
32 *this section, proceeds of the transaction means either of the*
33 *following, as appropriate:*

34 *(1) The amount realized from the sale of property after*
35 *reasonable expenses related to the sale.*

36 *(2) For any transaction that does not result in a lump-sum*
37 *payment of the proceeds of the transaction, the proceeds of the*
38 *transaction shall be calculated as the net present value of the future*
39 *cashflow generated by the transaction.*

1 **(b)** *If the Santee School District purchased real property,*
2 *together with any personal property located thereon, entirely with*
3 *local funds, the school district may use the authority granted under*
4 *subdivision (a) regardless of the length of time the district has*
5 *owned the property.*

6 **(c)** *This section is repealed on January 1, 2007, unless a later*
7 *enacted statute that becomes operative on or before January 1,*
8 *2007, deletes or extends the date on which it is repealed.*

9 **SEC. 3.** *The Legislature finds and declares that a special law*
10 *is necessary and that a general law cannot be made applicable*
11 *within the meaning of Section 16 of Article IV of the California*
12 *Constitution because of the financial circumstances of the Santee*
13 *School District.*

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16 **All matter omitted in this version of the**
17 **bill appears in the bill as amended in the**
18 **Assembly, July 16, 2003 (JR 11)**
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